

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

December 13, 2010

Chief Investment Officer's

Consolidated Investment Activity Report

(October 2010 Reporting Period)

CalPERS Asset Allocation – October 31, 2010

General Market Commentary

With the third quarter 2010 coming to a roaring close, there still remains a trickle effect into October. The U.S. economy grew 2% revised from previous estimates of 1.7 during the 3rd quarter months. The Federal Reserve indicated they would begin to slowly infuse money back into the economy through the purchase of government bonds. Roughly 150,000 new jobs were added in the month of October despite unemployment still hovering around 9.6%. This may indicate the U.S. isn't completely out of this rough patch in the economy. However, there is still optimism as retail sales are creeping up and there is anticipation that holiday sales will be stronger than it has been in the past couple years. Hopefully this momentum can continue on and carry us through the holiday months as 2010 comes to a close.

Domestic and International Equities

The S&P 500 index return was up for the month at 3.8%. Small-cap stocks, as measured by the Wilshire Small Cap Index, were up 4.0% for the month. Large-cap growth and value stocks were up in October and returned 4.9% for growth and 2.9% for value (as measured by the Wilshire Large Growth and Value). International equities were up as well, with the MSCI EAFE up 3.6% in dollar terms and (1.8% in local currency). Emerging markets were up at 2.9% in dollar terms (as measured by the MSCI EM Index) during the month.

Domestic and International Fixed Income

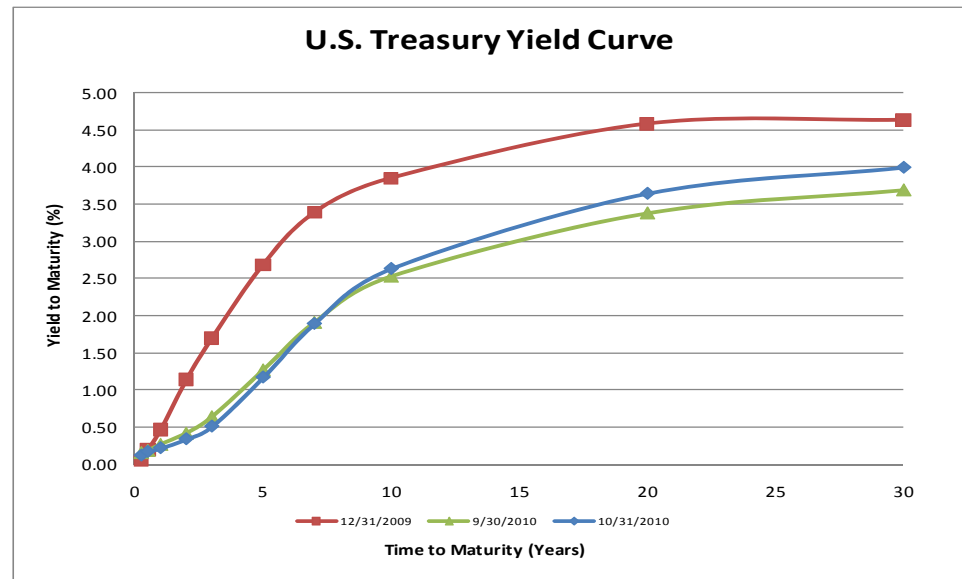
The Barclays Capital Aggregate Bond Index returned 0.4% for October, ahead of the US Treasury return of 0.3% (as measured by BC Intermediate Treasury Index). The BC Long Term Treasury Index returned -3.3% despite yields on 30-year Treasury bonds being up from the previous month. U.S. TIPS returned 2.7% (BC U.S. TIPS Index) during October. The high yield bond market returned 2.4% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned 1.4% while the dollar was up against the euro, pound and the yen as measured by the Citigroup World Government Bond Index ex US (unhedged).

Real Estate

Public real estate (as measured by the Wilshire US RESI Index) was positive with a return of 4.9% in October. The NCREIF Index of Real Estate Properties returned 3.9% for the quarter ended September 2010.

Absolute Return Strategies

Absolute Return Strategies (HFRI Fund to Funds Index) returned 2.2% in October and 5.8% for the 12 months ended October 2010.



MARKET INDICATORS	12/31/2009	Direction	9/30/2010	Direction	10/31/2010
1Month LIBOR (fixed in \$)	0.25%	↑	0.61%	↑	0.81%
Federal Funds	0.00% -0.25%	-	0.00% -0.25%	-	0.00% -0.25%
10Y Treasury Note Yield	3.85%	↓	2.53%	↑	2.63%
30Y Treasury Bond Yield	4.63%	↓	3.69%	↑	3.99%
Wilshire 5000 Comp	11,497.40	↑	11,947.10	↑	12,412.30
S&P 500	1,115.10	↑	1,141.20	↑	1,183.26
NASDAQ Composite	2,291.28	↑	2,368.62	↑	2,507.41
FTSE 100 Index	5,412.90	↑	5,548.60	↑	5,675.20
Nikkei 225 Index	10,546.44	↓	9,369.35	↓	9,202.45
Yen/\$ (Dollar Strength)	93.095	↓	83.54	↓	80.55
Euro/\$ (Dollar Strength)	0.700	↑	0.732	↓	0.719
GBP/\$ (Dollar Strength)	0.619	↑	0.635	↓	0.625
Crude Oil per Barrel	\$79.40	↑	\$ 79.97	↑	\$81.43
Gold (\$/oz Daily Spot)	\$1,087.5 0	↑	\$1,307.00	↑	\$1,346.75
GS Commodities TR Index	4,534.12	↓	4,358.72	↑	4,470.16

CalPERS Asset Allocation – October 31, 2010

Summary

- Total Fund Market Value was \$218.8 Billion
- Total Fund Book Value was \$197.9 Billion
- As of October 31, 2010, all asset classes were within their Strategic Target Policy Ranges.

Book to Market Value Comparison

	Book Value ² (\$ Billion)	Market Value ³ (\$ Billion)	Difference (Market – Book) (\$ Billion)
Domestic Equity ¹	\$38.2	\$52.1	\$13.9
International Equity	\$57.5	\$62.5	\$5.0
Global Equity	\$95.6	\$114.6	\$19.0
Domestic Fixed Income	\$34.6	\$46.0	\$11.4
International Fixed Income	\$3.1	\$3.5	\$0.4
Global Fixed Income	\$37.8	\$49.5	\$11.7
AIM	\$32.8	\$30.6	\$-2.2
Real Estate	\$22.7	\$15.4	\$-7.3
Inflation Linked	\$6.3	\$6.5	\$0.3
Cash Equivalents	\$2.7	\$2.1	\$-0.5
Total Fund	\$197.9	\$218.8	\$20.9

¹ Included is MDP Investment - LM Capital Investment: Total Book Value=**\$236.8 million**, Total Market Value=**\$251.2 million**.

² Total value of assets at cost minus liabilities.

³ Total value of assets at market.

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 10/31/2010

Company Name	Equity Exposure				Fixed Income Exposure				Real Estate	TOTAL Market Value	% of Total Fund(3)
	Internally Managed		Externally Managed	Total Equity				Total FI	Exposure (1)		
	Active	Passive	Active	Market Value	Internal	External	Sec. Lending(2)	Market Value			
EXXON MOBIL CORP	88,304,464	737,271,946	113,866,832	939,443,243				0		939,443,243	0.43%
GENERAL ELECTRIC CO	24,480,210	373,769,028	62,063,867	460,313,105	425,887,810	5,054,505		430,942,315		891,255,421	0.41%
APPLE INC	16,882,417	599,483,475	148,269,338	764,635,230				0	5,002,046	769,637,276	0.35%
JPMORGAN CHASE & CO	27,196,142	327,106,301	60,193,701	414,496,143	210,648,190	9,863,689		220,511,880	85,120,000	720,128,023	0.33%
HSBC HOLDINGS PLC	0	468,101,371	41,942,894	510,044,266	207,838,013			207,838,013		717,882,279	0.33%
BERKSHIRE HATHAWAY INC	97,725,296	364,670,864	34,866,294	497,262,454	208,313,157			208,313,157		705,575,610	0.32%
AT&T INC	45,271,652	370,329,000	54,700,991	470,301,642	207,159,147			207,159,147	3,861,542	681,322,331	0.31%
BANK OF AMERICA CORP	19,605,197	246,650,976	50,615,834	316,872,007	334,730,011	21,784,073		356,514,084	1,425,992	674,812,082	0.31%
MICROSOFT CORP	61,572,579	500,451,048	101,892,379	663,916,006				0	2,003,034	665,919,040	0.30%
CITIGROUP INC	21,522,596	226,551,930	47,833,011	295,907,537	328,395,047	14,796,886		343,191,933		639,099,470	0.29%
NESTLE SA	0	486,445,226	132,582,381	619,027,607				0		619,027,607	0.28%
ROYAL DUTCH SHELL	0	517,827,059	90,296,781	608,123,839				0		608,123,839	0.28%
WELLS FARGO & CO	24,871,453	297,776,224	54,868,173	377,515,850	211,490,174			211,490,174	2,498,242	591,504,266	0.27%
WAL MART STORES INC	54,295,729	321,006,003	34,523,462	409,825,193	98,913,501			98,913,501		508,738,695	0.23%
GOLDMAN SACHS GROUP INC	15,161,490	177,914,130	53,919,377	246,994,997	248,589,945	5,672,701		254,262,646		501,257,642	0.23%
VODAFONE GROUP	0	366,102,893	72,558,479	438,661,372	56,805,085	1,992,550		58,797,635		497,459,007	0.23%
INTERNATIONAL BUSINESS MACHINES	27,718,390	396,206,760	56,862,297	480,787,447				0		480,787,447	0.22%
PROCTER & GAMBLE CO	22,498,758	394,547,205	56,437,382	473,483,345				0		473,483,345	0.22%
AMERICAN INTERNATIONAL GROUP	10,929,154	11,851,021	109,562	22,889,737	422,984,642	27,476,172		450,460,814		473,350,551	0.22%
CHEVRONTXACO CORP	42,216,297	359,824,377	58,566,938	460,607,612				0		460,607,612	0.21%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues. Exposures updated September 2010

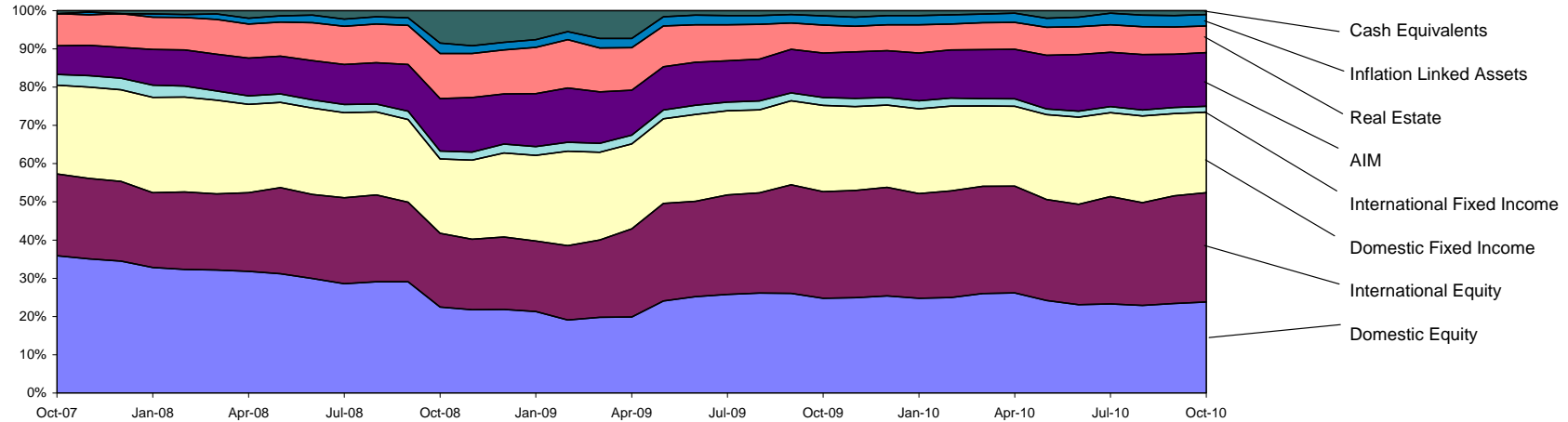
(2) Does not include Repos

(3) Excludes securities lending exposure

CalPERS

Asset Allocation as of October 31, 2010

Total Fund Market Value: **\$218,766,056,217**



	Global Equity ²	Domestic Equity ²	International Equity ²	Global Fixed	Domestic Fixed	International Fixed ³	AIM	Real Estate	Inflation Linked	Cash Equivalents ²	Total Fund
Strategic Target Range %	44-54%			15-25%			9-19%	5-15%	2-5%	0-5%	
Strategic Target %	49.0%	24.5%	24.5%	20.0%	18.0%	2.0%	14.0%	10.0%	5.0%	2.0%	N/A
Actual Investment %	52.4%	23.8%	28.6%	22.6%	21.0%	1.6%	14.0%	7.0%	3.0%	1.0%	N/A
Variance % (Strategic vs. Actual)	3.4%	(0.7%)	4.1%	2.6%	3.0%	(0.4%)	(0.0%)	(3.0%)	(2.0%)	(1.0%)	N/A
Strategic Target \$ ¹	\$107.2	\$53.6	\$53.6	\$43.8	\$39.4	\$4.4	\$30.6	\$21.9	\$10.9	\$4.4	\$218.8
Actual Investment \$ ¹	\$114.6	\$52.1	\$62.5	\$49.5	\$46.0	\$3.5	\$30.6	\$15.4	\$6.5	\$2.1	\$218.8
Variance \$(Strategic vs. Actual) ¹	\$7.4	(\$1.5)	\$8.9	\$5.7	\$6.6	(\$0.9)	(\$0.0)	(\$6.5)	(\$4.4)	(\$2.2)	N/A
% Passive	68.0%	66.6%	69.2%	0.0%	0.0%	0.0%	0.0%	7.8%	0.0%	0.0%	35.6%
% Active	32.0%	33.4%	30.8%	100.0%	100.0%	100.0%	100.0%	92.2%	100.0%	100.0%	64.4%
% Internal	77.0%	77.8%	76.3%	89.7%	96.5%	0.0%	0.0%	7.8%	57.3%	100.0%	63.9%
% External	23.0%	22.2%	23.7%	10.3%	3.5%	100.0%	100.0%	92.2%	42.7%	0.0%	36.1%

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.

* When summing amounts on this report, there may be breakage.

* MDP Venture accounts included in MDP's primary asset class. MDP Fixed and CalPERS Hedge Fund roll to External Domestic Equity.

¹ (\$ Billion)

² Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and Domestic Fixed Income Transition Account is included in Domestic Fixed Income

³ Closed fund SWEW is included in International Fixed Income but not in the performance figures

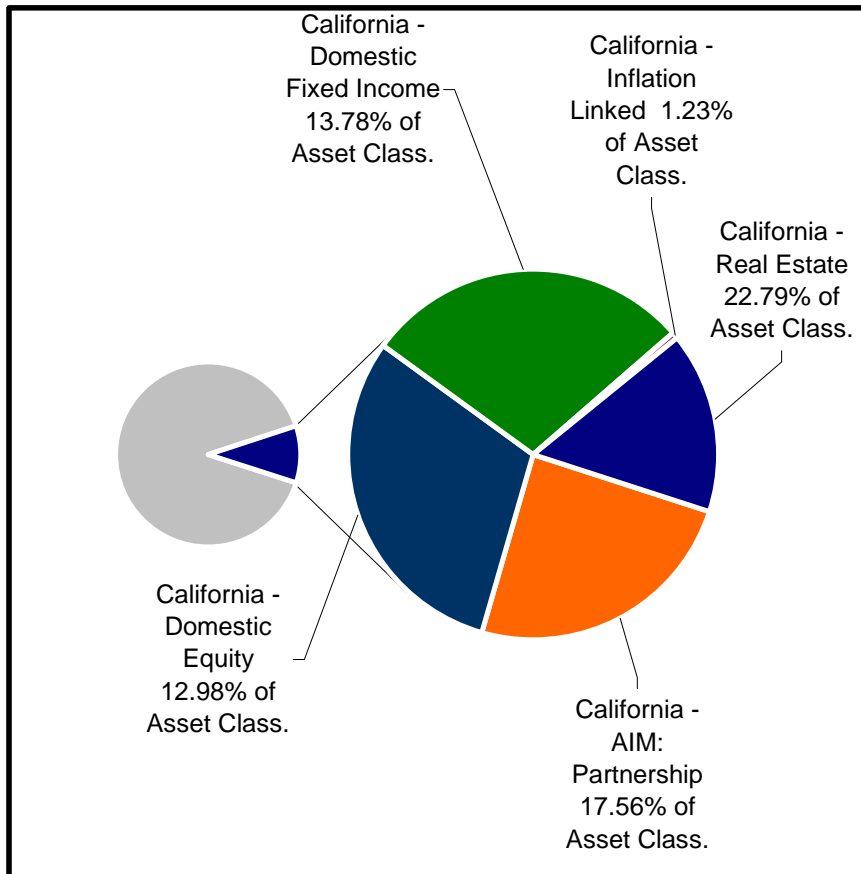
Private Market Commitment as of October 31, 2010							
AIM				Real Estate			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$30.62	14.00%	9-19%	Fair Market Value (FMV)	\$15.39	7.03%	5-15%
Unfunded Commitment	\$16.77	7.67%		Unfunded Commitment (as of 8/31/10)	\$6.98	3.19%	
Fair Market Value plus Unfunded Commitment	\$47.39	21.66%		Fair Market Value plus Unfunded Commitment	\$22.36	10.22%	
Infrastructure				Forestland			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$4.3	0.20%	0-3%	Fair Market Value (FMV)	\$2.36	1.08%	0-2%
Unfunded Commitment	\$4.3	0.20%		Unfunded Commitment	\$0.2	0.01%	
Fair Market Value plus Unfunded Commitment	\$8.7	0.40%		Fair Market Value plus Unfunded Commitment	\$2.38	1.09%	

CalPERS Investments in the State of California – October 31, 2010

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

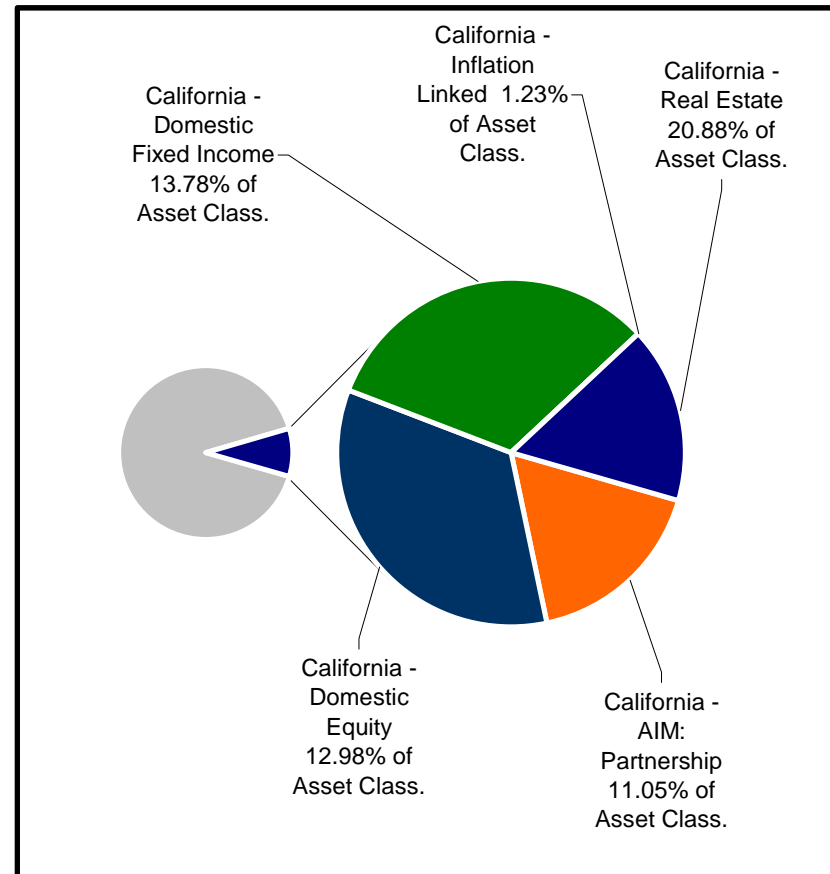
California Investments plus Additional Commitments

Current California Commitments at 10/31/2010 Total Fund %: 10.04%



California Investments

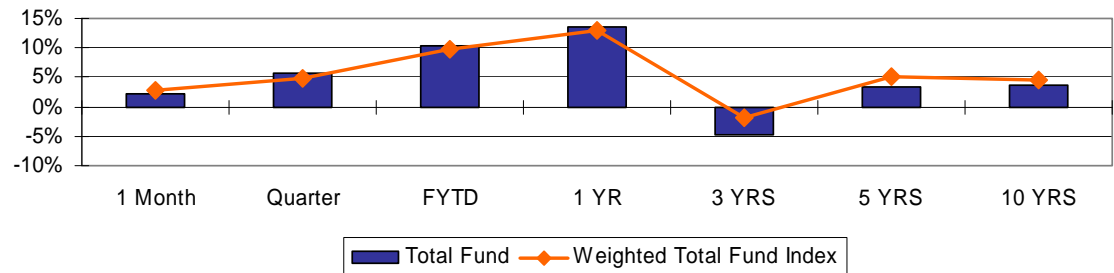
Current California Investments at 10/31/2010 Total Fund %: 9.00%



Performance Summary – October 31, 2010

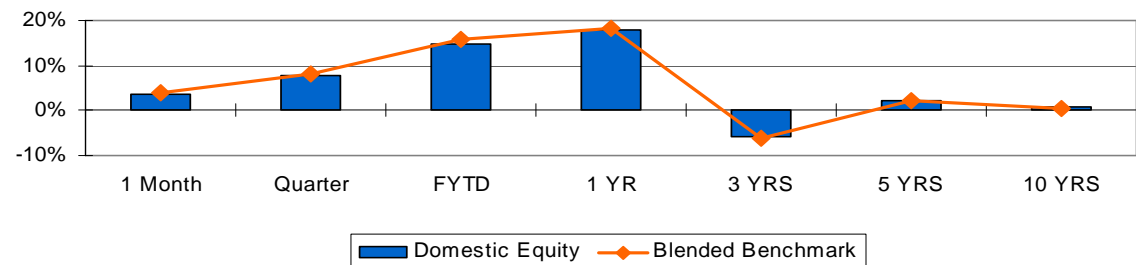
Total Plan:

Net Total Fund returns have underperformed the actual Weighted Total Fund Index in all time periods except the quarter-to-date, fiscal-year-to-date and one-year periods. Ten-year net returns were 3.73% versus 4.45% for the Actual Weighted Index.



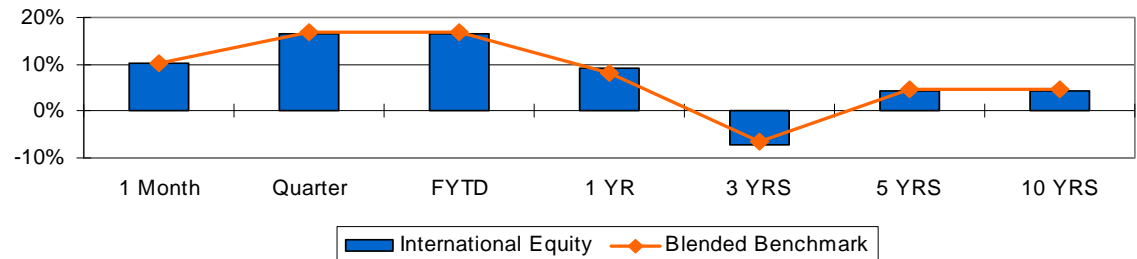
Domestic Equity:

Net Domestic Equity returns have underperformed the blended benchmark in all time periods except the three-year, five-year and ten-year periods. Ten-year net returns were 0.87% versus 0.56% for the blended benchmark.



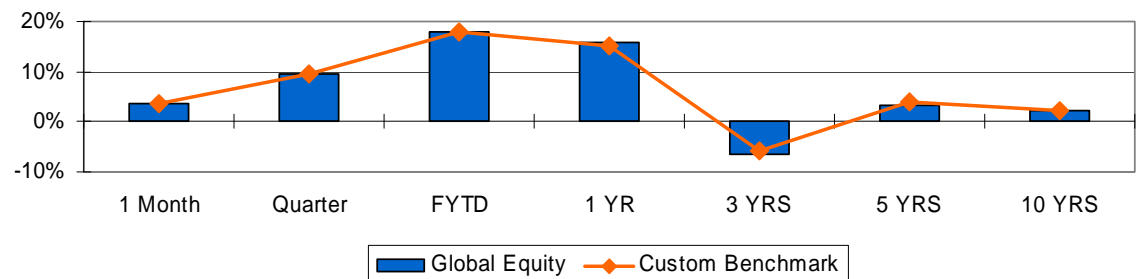
International Equity:

Net International Equity returns have underperformed the blended benchmark in all time periods except the one-month, one-quarter and one-year periods. Ten-year net returns were 5.12% versus 5.30% for the blended benchmark.



Global Equity:

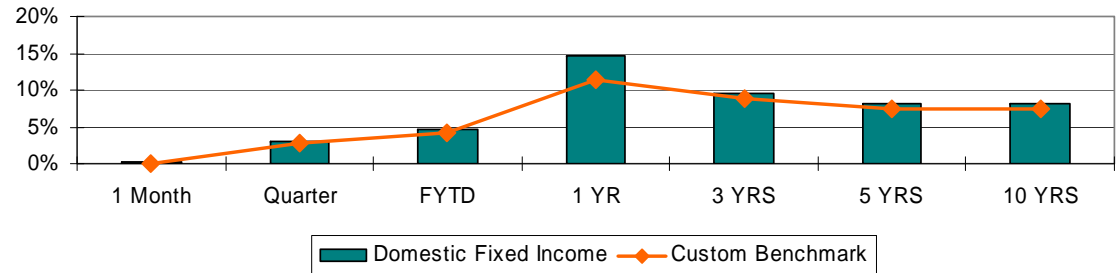
Net Total Global Equity returns have underperformed the benchmark in all time periods except the one-month, one-quarter and one-year periods. Ten-year net returns were 2.28% versus 2.31% for the blended benchmark.



Performance Summary – October 31, 2010

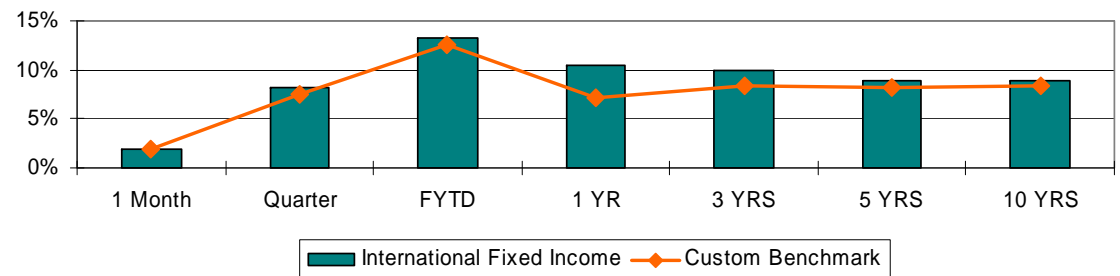
Domestic Fixed Income:

Net Domestic Fixed Income returns have outperformed the benchmark in all time periods. Ten-year net returns were 8.11% versus 7.55% for the benchmark.



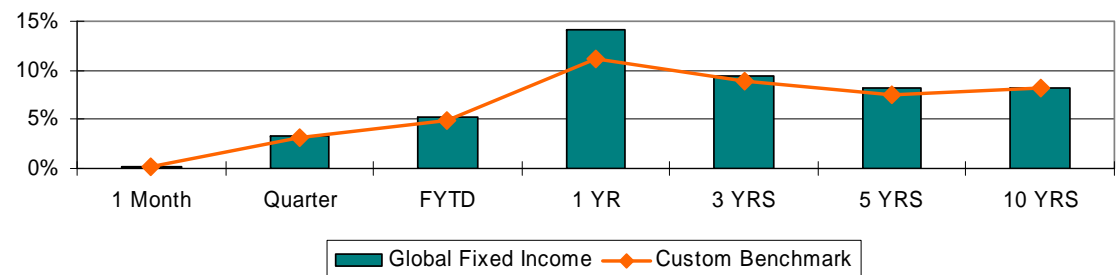
International Fixed Income:

Net International Fixed Income returns have outperformed the benchmark in all time periods. Ten-year net returns were 8.97% versus 8.45% for the benchmark.



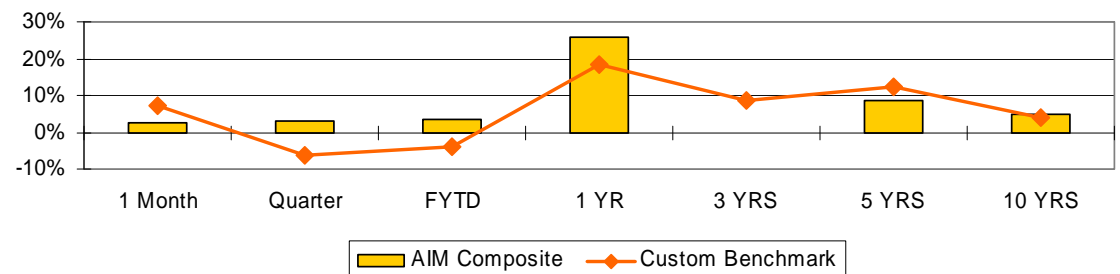
Global Fixed Income:

Net Global Fixed Income returns have outperformed the benchmark in all time periods. Ten-year net returns were 8.26% versus 8.20% for the benchmark.



AIM Composite:

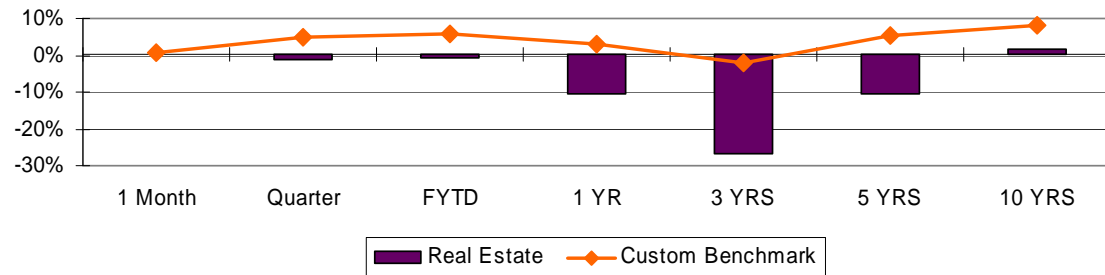
Net AIM Composite returns have outperformed the custom blended benchmark in all time periods except the one-month, three-year and five-year periods. Ten-year net returns were 4.80% versus 4.18% for the benchmark.



Performance Summary – October 31, 2010

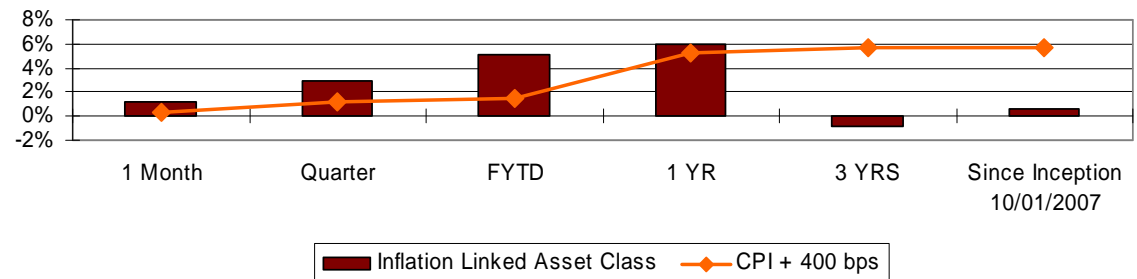
Real Estate:

Net Total Real Estate returns have underperformed the benchmark in all time periods. Ten-year net returns were 1.83% versus 8.00% for the benchmark.



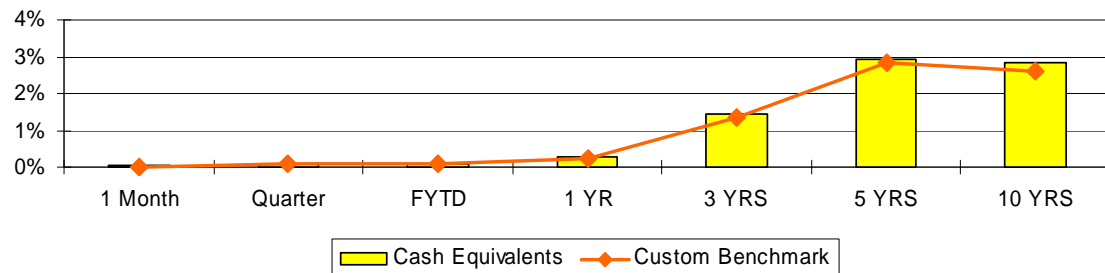
Inflation Linked Assets:

Net returns for the Inflation Linked Assets portfolio have outperformed the benchmark in all time periods except the three-year and since inception periods. Since inception net returns were 0.62% versus 5.67% for the benchmark.



Cash Equivalents:

Net returns for the Cash Equivalents portfolio have outperformed the benchmark in all time periods. Ten-year net returns were 2.82% versus 2.62% for the custom benchmark.



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending October 31, 2010

CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	22.6	49,547,706	3.64	7.86	14.61	18.11	-5.59	2.33	0.92
<i>CALPERS CUSTOM FTSE TMI (BLENDED)</i>			3.93	8.30	15.82	18.22	-6.00	2.18	0.56
TOTAL INTL EQUITY	28.6	62,470,684	3.47	10.81	20.58	14.59	-7.66	5.67	5.18
<i>CALPERS FTSE ALL-WORLD EX US</i>			3.34	10.67	20.78	13.08	-7.35	6.26	5.30
TOTAL GLOBAL EQUITY EQUITIZATION	1.2	2,555,418	3.54	9.20	18.26	11.84			
TOTAL GLOBAL EQUITY	52.4	114,573,809	3.54	9.48	17.93	15.90	-6.41	3.47	2.33
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			3.49	9.42	18.00	15.20	-5.98	3.86	2.31
TOTAL DOMESTIC FIXED INCOME	20.5	44,817,307	0.13	3.03	4.70	14.66	9.48	8.15	8.12
<i>CALPERS CUSTOM BC LPF (DAILY)</i>			0.03	2.84	4.14	11.49	8.90	7.44	7.55
TOTAL INTL FIXED INCOME	1.6	3,479,970	1.99	8.27	13.28	10.51	9.98	9.00	9.06
<i>CALPERS WORLD GOVT X US</i>			1.98	7.45	12.53	7.15	8.38	8.19	8.45
TOTAL GLOBAL FIXED INCOME	22.1	48,297,278	0.26	3.39	5.26	14.09	9.50	8.22	8.27
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			0.19	3.21	4.80	11.16	8.88	7.56	7.68
TOTAL AIM COMPOSITE	14.0	30,619,987	2.39	2.88	3.57	25.90	-0.11	8.68	4.81
<i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>			7.19	-6.32	-4.13	18.30	8.56	12.21	4.18
<i>WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR</i>			7.19	-6.32	-4.13	18.30	-3.46	3.18	2.82
TOTAL REAL ESTATE	7.0	15,387,651	0.31	-0.97	-0.35	-9.51	-25.73	-8.53	4.32
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL</i>			0.57	4.68	5.84	2.87	-2.17	5.43	8.00
TOTAL INFLATION LINKED	3.0	6,547,236	1.19	3.07	5.13	6.41	-0.52		
<i>CPI+400 BPS 1 MONTH LAGGED</i>			0.39	1.20	1.44	5.19	5.63		
TOTAL CASH EQUIVALENTS	1.2	2,660,892	0.03	0.09	0.11	0.28	1.44	2.92	2.82
<i>PERS CUSTOM STIF NET OF FEES</i>			0.02	0.08	0.10	0.24	1.36	2.85	2.62
CURRENCY + ASSET ALLOC TRANSITION	0.3	679,204							
TOTAL FUND	100.0	218,766,056	2.18	5.79	10.28	13.64	-4.58	3.45	3.95
<i>CALPERS POLICY INDEX</i>			2.96	5.39	10.44	14.09	0.01	6.05	4.83
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			2.90	4.96	9.86	13.10	-1.82	5.08	4.45

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)

Cash and Currency (SJVKA1,SX1LA1); Total Fund (SJ1CA1)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending October 31, 2010

CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	22.6	49,547,706	3.64	7.85	14.60	18.06	-5.64	2.27	0.87
<i>CALPERS CUSTOM FTSE TMI (BLENDED)</i>			3.93	8.30	15.82	18.22	-6.00	2.18	0.56
TOTAL INTL EQUITY	28.6	62,470,684	3.46	10.79	20.56	14.54	-7.71	5.61	5.12
<i>CALPERS FTSE ALL-WORLD EX US</i>			3.34	10.67	20.78	13.08	-7.35	6.26	5.30
TOTAL GLOBAL EQUITY EQUITIZATION	1.2	2,555,418	3.54	9.20	18.26	11.84			
TOTAL GLOBAL EQUITY	52.4	114,573,809	3.53	9.46	17.91	15.85	-6.46	3.41	2.28
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			3.49	9.42	18.00	15.20	-5.98	3.86	2.31
TOTAL DOMESTIC FIXED INCOME	20.5	44,817,307	0.13	3.03	4.70	14.66	9.48	8.15	8.11
<i>CALPERS CUSTOM BC LPF (DAILY)</i>			0.03	2.84	4.14	11.49	8.90	7.44	7.55
TOTAL INTL FIXED INCOME	1.6	3,479,970	1.99	8.24	13.24	10.41	9.87	8.90	8.97
<i>CALPERS WORLD GOVT X US</i>			1.98	7.45	12.53	7.15	8.38	8.19	8.45
TOTAL GLOBAL FIXED INCOME	22.1	48,297,278	0.26	3.38	5.26	14.08	9.49	8.21	8.26
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			0.19	3.21	4.80	11.16	8.88	7.56	7.68
TOTAL AIM COMPOSITE	14.0	30,619,987	2.38	2.88	3.57	25.89	-0.12	8.67	4.80
<i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>			7.19	-6.32	-4.13	18.30	8.56	12.21	4.18
<i>WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR</i>			7.19	-6.32	-4.13	18.30	-3.46	3.18	2.82
TOTAL REAL ESTATE	7.0	15,387,651	0.31	-1.29	-0.68	-10.49	-26.88	-10.58	1.83
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL</i>			0.57	4.68	5.84	2.87	-2.17	5.43	8.00
TOTAL INFLATION LINKED	3.0	6,547,236	1.19	3.00	5.06	5.91	-0.91		
<i>CPI+400 BPS 1 MONTH LAGGED</i>			0.39	1.20	1.44	5.19	5.63		
TOTAL CASH EQUIVALENTS	1.2	2,660,892	0.03	0.09	0.11	0.28	1.44	2.92	2.82
<i>PERS CUSTOM STIF NET OF FEES</i>			0.02	0.08	0.10	0.24	1.36	2.85	2.62
CURRENCY + ASSET ALLOC TRANSITION	0.3	679,204							
TOTAL FUND	100.0	218,766,056	2.17	5.75	10.24	13.51	-4.75	3.24	3.73
<i>CALPERS POLICY INDEX</i>			2.96	5.39	10.44	14.09	0.01	6.05	4.83
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			2.90	4.96	9.86	13.10	-1.82	5.08	4.45

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)
 AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)
 Cash and Currency (SJVKA1,SX1LA1); Total Fund (SJ1CA1)

Operations/Policy Violations/Activity Reports/Placement Agent Fees

Closed Session Transactions

- There were zero closed session transactions reported to the Board in Open Session per the requirements of California Government Code Section 20191.5 and the current CalPERS Board of Administration Statement of Policy & Procedures for Closed Sessions.

Investment Policy Violations

- According to policy requirements, the following is a summary of investment policy violations extracted from the quarterly reports prepared for Investment Committee consideration. Executive Summaries and full reports are available in the Supplemental Reporting Document.

Global Equity, AIM, ILAC, Cash Equivalents, Supplemental Income Plans

Report Containing Violation	Violation Description
No items to report	

Fixed Income

Report Containing Violation	Violation Description
Securities Lending Earnings	Nine Asset Backed Securities from four issuers, one Corporate Note and two Structured Investment Vehicles (SIV's) with credit quality policy violations carried over into the third quarter of the calendar year. These securities were purchased by external managers and downgraded by Fitch, Moody's and S&P in prior periods. During the third quarter of this calendar year, two Asset Backed Securities and one Corporate Note were removed from the Policy Violation list after paying off. Staff expects the remaining seven Asset Backed Securities to pay down over the next 16 to 18 months. The SIV's are currently under review and Staff is working to maximize value and will continue to update the Board accordingly.

Items Completed Under Delegated Authority

- According to policy requirements, the following is a summary of items completed under delegated authority extracted from the reports prepared for Investment Committee consideration. Full reports are available in the Supplemental Reporting Document.

Real Estate, Risk Managed Absolute Return Strategies, Corporate Governance, ILAC, AIM

Investment	Commitment
No items to report	

Operations/Policy Violations/Activity Reports/Placement Agent Fees

Activity Reports

- Staff prepares activity reports for the AIM, Real Estate, Risk Managed Absolute Return Strategies, Corporate Governance and Inflation Linked Asset Class Programs. Detailed reports and investment summaries for these programs are included in the supplemental reporting document.

AIM Activity Report

Activity	Month	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	18	442	349	295	298	8,174
Declined/Referred/Failed to Materialize	19	387	339	245	311	6,686
Deals in Screening	61	442	349	295	298	5,196
Due Diligence Reviews	8	76	31	12	12	819

Real Estate Investments Activity Report:

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception *
Investment Proposals Entered	5	N/A	N/A	138	23	112	273
Declined/Referred/Failed to Materialize	7	N/A	N/A	120	29	93	242
Deals in Screening	28	N/A	N/A	24	33	52	109
Due Diligence Reviews	0	N/A	N/A	3	0	0	3
* As of January 2, 2008							

Risk Managed Absolute Return Strategies Program Activity Report

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	0	69	90	118	66	0	900
Declined/Referred/Failed to Materialize	0	1	0	0	0	0	243
Deals in Screening	12	68	90	118	66	18	663
Due Diligence Reviews	12	68	90	118	66	18	663
Allocations Approved by RMARS Board	0	52	66	31	0	11	217
New ARD Funds Approved by RMARS Board	0	9	8	3	0	0	44
Funded Investments (\$ Millions)	\$0	\$1,809	\$2,499	\$1,069	\$0	\$510	\$7,399

Corporate Governance Activity Report

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception *
Investment Proposals Entered	0	N/A	N/A	7	1	1	9
Declined/Referred/Failed to Materialize	0	N/A	N/A	6	13	11	30
Deals in Screening	N/A	N/A	N/A	N/A	N/A	0	0
Due Diligence Reviews	0	N/A	N/A	13	14	12	39
* As of April 1, 2008							

Operations/Policy Violations/Activity Reports/Placement Agent Fees

Activity Reports (cont.)

Inflation Linked Asset Class Activity Report - Infrastructure

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	11	N/A	12	57	52	89	210
Declined/Referred/Failed to Materialize	16	N/A	N/A	11	58	86	155
Deals in Screening	53	N/A	12	57	52	89	210
Due Diligence Reviews	0	N/A	N/A	0	4	2	6

Inflation Linked Asset Class Activity Report - Forestland

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	0	N/A	N/A	9	5	6	20
Declined/Referred/Failed to Materialize	0	N/A	N/A	7	6	5	18
Deals in Screening	0	N/A	N/A	9	5	6	20
Due Diligence Reviews	0	N/A	N/A	1	0	0	1

Disclosure of Placement Agent Fees

Asset Class	Firm Name	Fund	Placement Agent Firm	Estimated Placement Agent Compensation	Disclosure Type
AIM	Montagu Private Equity, LLP	Montagu fund IV	Probitas Funds Group, LLC	1,2	Proposed New Investment
AIM	KSL Capital Partners, LLC	KSL Capital Partners III, L.P.	Probitas Funds Group, LLC	1,2	Proposed New Investment

¹ – Placement agent compensation allocated to CalPERS is base on commitment amount. If a commitment is made, an update will be provided in a future report.

² – Disclosure submitted by Fund of Funds Manager.

Quarterly Reports

According to policy requirements, the following is summary information extracted from the quarterly reports prepared for Investment Committee consideration. Executive Summaries and full reports are available in the Supplemental Reporting Document.

Securities Lending Earnings

Earnings for the quarter ended September 30, 2010, are presented to the Investment Committee for information.

	Average Lendable Assets (\$000)	Average % on Loan	Earnings (Annualized)	Income to CalPERS (\$000)
Asset Class Earnings				
Global Equities	\$61,868,970	17%	15 bp	\$22,890
Global Fixed Income	\$17,366,373	36%	11 bp	\$4,783
Total Program Earnings	\$79,235,343			\$27,673
Unrealized gain on internal collateral reinvestment				\$32,975 *
Total Program Earnings including unrealized gain				\$60,648

*Unrealized gains resulted from CalPERS use of mark-to-market accounting on the valuation of the internal cash pool, which is not market convention on collateral reinvestment pools.

Policy Violations:

Our external cash collateral pool did not experience any new policy violations during the third quarter of the calendar year.

Carry Over Violations:

Nine Asset Backed Securities from four issuers, one Corporate Note and two Structured Investment Vehicles (SIV's) with credit quality policy violations carried over into the third quarter of the calendar year. These securities were purchased by external managers and downgraded by Fitch, Moody's and S&P in prior periods. During the third quarter of this calendar year, two Asset Backed Securities and one Corporate Note were removed from the Policy Violation list after paying off. Staff expects the remaining seven Asset Backed Securities to pay down over the next 16 to 18 months. The SIV's are currently under review and Staff is working to maximize value and will continue to update the Board accordingly.

Spring Fed Pool Contract Status Report:

The Quarterly Spring-Fed Pool Consultant Contract Status Report for the quarter ending September 30, 2010, has been prepared by staff from the Policy and Business Support Division (PBSB). The report details current encumbrances of \$10,383,315 for Spring-Fed Pool contractors. Actual final expenditures against these encumbrances may be less, but never greater than this amount, unless agreed upon by CalPERS through an amended letter of engagement. Any amendments would be identified in a future quarterly report.

Investment Transactions

Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

Portfolio Summary and Transactions Report:

- Purchases (Page 18)
- Sales (Page 19)
- Currency Hedge Portfolio Summary (Page 20)
- Currency Hedge Portfolio Transactions (Page 20)

Investment Transaction Information: (full reporting is available in the supplemental reporting document)

- Domestic Fixed Income Transactions
- International Fixed Income Transactions
- Domestic Equity Transactions
- International Equity Transactions
- Real Estate Investment Trust (REIT) Transactions
- AIM Program Transactions
 - Summary Listing of Capital Calls and Aggregate Distributions
- AIM Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No items to report
- Real Estate Equity Transactions
 - Summary Listing of Investments and Redemptions
- Real Estate Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report
- Risk Managed Absolute Return Strategies Program Transactions
 - Summary Listing of Investments and Redemptions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
 - Dispositions Summaries
 - No items to report
 - Acquisitions Summaries
 - No items to report
- Inflation Linked Assets Transactions
 - Summary Listing of Investments and Redemptions
- Inflation Linked Assets Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report

Investment Transactions

Investment Transaction Information (continued): [\(full reporting is available in the supplemental reporting document\)](#)

- Corporate Governance Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No items to report
- Manager Development Program – Private Markets Transactions
 - Summary Listing of Investments and Redemptions
 - No items to report
- Internally Managed Derivative Transactions Summary
 - Investment Summaries
 - Futures purchases: \$258.7 million notional
 - Futures sales: \$221.8 million notional
 - Swaps: \$239.0 million notional

Portfolio Transactions Summary

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

October 2010

PURCHASES

	<u>COST</u>	<u>%OF PURCHASES</u>
<u>EQUITIES:</u>		
Domestic	\$1,192.4	7.70%
International	<u>\$818.6</u>	<u>5.28%</u>
Total	\$2,011.0	12.98%
<u>FIXED INCOME:</u>		
Domestic	\$10,626.6	68.59%
International	<u>\$1,782.8</u>	<u>11.51%</u>
Total	\$12,409.4	80.09%
<u>ALTERNATIVE INVESTMENTS:</u>		
Partnership Component	\$478.6	3.09%
<u>REAL ESTATE:</u>		
Real Estate Equity	\$343.0	2.21%
<u>INFLATION LINKED ASSETS:</u>		
Inflation Linked	\$251.5	1.62%
TOTAL PURCHASES:	<u><u>\$15,493.5</u></u>	<u><u>100%</u></u>

Portfolio Transactions Summary

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

October 2010

SALES

	<u>COST</u>	<u>PROCEEDS</u>	<u>GAIN/ (LOSS)</u>
<u>EQUITIES:</u>			
Domestic	\$992.1	\$1,143.4	\$151.3
International	<u>\$482.1</u>	<u>\$587.3</u>	<u>\$105.2</u>
Total	\$1,474.2	\$1,730.7	256.5
<u>FIXED INCOME:</u>			
Domestic	\$10,459.6	\$10,710.4	\$250.8
International	<u>\$1,694.1</u>	<u>\$1,700.0</u>	<u>\$5.9</u>
Total	\$12,153.7	\$12,410.4	\$256.7
<u>ALTERNATIVE INVESTMENTS:</u>			
Partnership Component	\$584.4	\$584.4	\$0.0
<u>REAL ESTATE:</u>			
Real Estate Equity	\$199.8	\$199.8	(\$0.0)
<u>INFLATION LINKED ASSETS:</u>			
Inflation Linked	\$241.4	\$241.4	\$0.0
TOTAL SALES:	<u>\$14,653.5</u>	<u>\$15,166.7</u>	<u>\$513.2</u>

Portfolio Transactions Summary

CURRENCY HEDGE PORTFOLIO SUMMARY

(\$ Millions)

October 2010

<u>PENDING FX CONTRACTS</u>	<u>COST</u>	<u>MARKET VALUE</u>
Total FX Purchased	\$9,844.2	\$10,183.4
Total FX Sold	\$16,462.2	\$17,245.1

CURRENCY OPTIONS

Currency Puts	(\$235.7)	(\$235.7)
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"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

CURRENCY HEDGE TRANSACTION SUMMARY

(\$ Millions)

October 2010

<u>PURCHASES</u>	<u>COST</u>
Pending FX Contracts	\$5,395.8

<u>SALES</u>	<u>PROCEEDS</u>
Pending FX Contracts	\$4,523.7

Affiliate Funds Reports

State Street Bank has compiled the following Affiliate Funds Performance Reports for the periods ending October 31 2010. [\(full reporting is available in the supplemental reporting document\)](#)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending October 31, 2010

Affiliate Funds Monthly Performance Summary - Plan Comparison
RATES OF RETURN - Gross

	MKT VAL \$(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS	10 YRS
CALPERS CERBT FUND	1,520,386	2.93	7.93	14.81	9.72	14.96	-2.47		
<i>CERBT POLICY INDEX</i>		2.89	7.93	15.00	9.77	15.00	-3.00		
CALPERS HEALTH CARE BOND FUND	446,401	0.67	1.91	3.15	8.70	8.72	6.86		
<i>BC AGGREGATE (DAILY)</i>		0.36	1.76	2.84	8.33	8.01	7.23		
JUDGE'S RETIREMENT FUND	27,780	0.02	0.08	0.11	0.20	0.24	1.37	2.85	2.63
<i>91 DAY TREASURY BILL (DAILY)</i>		0.02	0.03	0.05	0.10	0.12	1.04	2.55	2.49
JUDGES II FUND	480,788	2.39	7.01	13.04	10.62	15.09	-1.26	4.72	3.94
<i>CAL JRS II POLICY INDEX</i>		2.40	7.10	13.14	10.48	14.80	-1.13	4.85	3.94
LEGISLATOR'S RETIREMENT FUND	121,649	1.78	5.36	9.28	10.87	13.85	2.86	5.96	5.07
<i>CAL LRS POLICY INDEX (DAILY)</i>		1.76	5.45	9.31	10.53	13.30	2.65	5.67	5.24
LONG TERM CARE FUND	2,963,859	2.46	6.68	12.02	10.69	14.85	0.47	5.47	4.06
<i>CAL LTC POLICY INDEX (DAILY)</i>		2.41	6.70	12.02	10.41	14.47	0.49	5.41	4.02
CONTINGENCY RESERVE FUND	6,100	0.02	0.08	0.10	0.20	0.24	1.37	2.85	2.64
<i>91 DAY TREASURY BILL (DAILY)</i>		0.02	0.03	0.05	0.10	0.12	1.04	2.55	2.49

Affiliate Funds Reports

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending October 31, 2010

Affiliate Funds Monthly Performance Summary - Plan Comparison

RATES OF RETURN - Net Mgr

	MKT VAL \$(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS	10 YRS
CALPERS CERBT FUND	1,520,386	2.93	7.93	14.81	9.72	14.96	-2.47		
<i>CERBT POLICY INDEX</i>		2.89	7.93	15.00	9.77	15.00	-3.00		
CALPERS HEALTH CARE BOND FUND	446,401	0.67	1.91	3.15	8.70	8.72	6.86		
<i>BC AGGREGATE (DAILY)</i>		0.36	1.76	2.84	8.33	8.01	7.23		
JUDGE'S RETIREMENT FUND	27,780	0.02	0.08	0.11	0.20	0.24	1.37	2.85	2.63
<i>91 DAY TREASURY BILL (DAILY)</i>		0.02	0.03	0.05	0.10	0.12	1.04	2.55	2.49
JUDGES II FUND	480,788	2.39	7.01	13.04	10.62	15.09	-1.26	4.72	3.94
<i>CAL JRS II POLICY INDEX</i>		2.40	7.10	13.14	10.48	14.80	-1.13	4.85	3.94
LEGISLATOR'S RETIREMENT FUND	121,649	1.78	5.36	9.28	10.87	13.85	2.86	5.96	5.07
<i>CAL LRS POLICY INDEX (DAILY)</i>		1.76	5.45	9.31	10.53	13.30	2.65	5.67	5.24
LONG TERM CARE FUND	2,963,859	2.46	6.68	12.02	10.69	14.85	0.47	5.47	4.06
<i>CAL LTC POLICY INDEX (DAILY)</i>		2.41	6.70	12.02	10.41	14.47	0.49	5.41	4.02
CONTINGENCY RESERVE FUND	6,100	0.02	0.08	0.10	0.20	0.24	1.37	2.85	2.64
<i>91 DAY TREASURY BILL (DAILY)</i>		0.02	0.03	0.05	0.10	0.12	1.04	2.55	2.49